

Kansas Administrative Regulations

Office of the State Bank Commissioner

Article 9.—Investment Securities

17-9-7. Investment securities; repurchase.

(a) Subject to the limitation in subsection (b) of this regulation, a bank may purchase and sell investment securities under a repurchase agreement if one or more of the following provisions is part of the repurchase agreement:

(1) the bank has the option or right to require the seller of the securities to repurchase them from the bank at a price stated in the agreement, or at a price subject to determination under the terms of the agreement, but in no case less than the value at the time of the repurchase;

(2) the seller or the seller's nominee reserves the right or the option to repurchase the securities for a price stated or at a price subject to determination under the terms of the agreement, but in no case shall the option be for an amount less than the value at the time of the initial purchase;

(3) the bank selling securities has an option or right to repurchase the securities from the buyer at a price stated or at a price subject to determination under the terms of the agreement; or

(4) the seller or a third party guarantees the bank against loss on resale of the securities.

(b) The total amount that any bank has committed to repurchase at any one time from the state of Kansas or its political subdivisions shall not exceed a sum equal to 10 times the bank's capital and surplus.

(Authorized by K.S.A. 9-1713; implementing K.S.A. 1995 Supp. 9-1101 and K.S.A. 9-1131; effective Aug. 9, 1996.)

***** Authenticated Kansas Administrative Regulation *****